

Testimony of Bill Horan
Before the
Subcommittee on Conservation, Credit, Rural Development and Research
House Agriculture Committee
May 23, 2001

Good afternoon. My name is Bill Horan. I raise corn, soybeans, oats and alfalfa in partnership with my brother Joe in Rockwell City, Iowa. I am a member of the National Corn Growers Association's Board of Directors. The National Corn Growers Association (NCGA) represents more than 31,000 direct members and the 300,000 corn farmers throughout the nation who make check-off payments each year. I am testifying today on behalf of the NCGA, the American Soybean Association, the National Association of Wheat Growers, the National Cotton Council, and the National Barley Growers Association. I appreciate the opportunity to offer this testimony.

The members of our organizations are committed to being good stewards of the land and leaving the environment in better shape than we found it. We have a commitment to our community to ensure that we have clean water and healthy, viable soil to ensure the land is productive for many years to come. We take responsibility for our farming activities and must do so with a keen eye towards conservation, productivity and marketing.

We support the voluntary, incentive-based conservation programs that the past farm bills have created. We believe that flexibility in programs is essential for their widespread adoption, given local variances in conservation and water quality priorities, production practices, climate, soil type and many other factors. These programs have demonstrated agriculture's commitment to working collaboratively with United States Department of Agriculture and other organizations and a commitment to water quality, air quality, habitat protection, and a healthy environment. We believe that these voluntary programs have been successful in producing environmental benefits. As we look toward the next farm bill, we are interested in conservation programs that assist growers in maintaining and/or undertaking new conservation practices in their farming operations. Any new program should contemplate financial assistance for conservation practices on resources and management that support production and generate environmental benefits.

As we look at broader Clean Water Act issues and regulations, we know that agriculture plays an important role in maintaining a healthy environment. All agricultural producers face increasing regulatory burdens whether it is local, state or federal requirements on the management of their land. We support programs that will work with our members in utilizing conservation practices and work to maintain a healthy environment. A conservation/environmental incentive payment program could assist growers in meeting these increasing

requirements. This approach recognizes an important part of adoption of conservation practice across the farming community – which is, that growers need financial and technical assistance in management of their operations based on conservation principles.

Intensive resource management practices can become as important as a filter strip or buffer strip in achieving conservation goals, but these management practices or choices frequently add to the costs and risks of the farming operation. These are the areas that should be included in the development of the Conservation Title of the next farm bill. Policymakers can work with growers to identify conservation practices that fit in with their management and stewardship of working land. Any program modifications or enhancements must maintain flexibility for local implementation to maximize both participation and effectiveness.

Regarding existing programs, we support continuation of the existing cost-share programs including the Conservation Reserve Program (CRP) -including continuous sign-up, Wetlands Reserve Program (WRP), the Wildlife Habitat Incentives Program and others. These programs have been an excellent investment for the public and have generated significant environmental benefits as documented by USDA. Programs that take land out of production should be managed so as not to take whole farms out of production. The focus of the continuous signup should be on small areas of specific environmental value and there should be local flexibility to meet the environmental concerns facing a specific area of the country. We believe that the CRP should be fully utilized to the 36.4 million acre cap and that any additional land enrolled should be the most environmentally beneficial land utilizing the continuous signup. While the Wetland Reserve Program has generated enrollment that is expected to reach the 1,075,000-acre cap this year, as with CRP, we do not support increasing the acreage cap at this time.

Regarding the provisions of the 1996 Farm Bill concerning wetlands and highly erodible land, we support maintaining the flexibility that farmers were given in the bill. Our organizations worked during the last farm bill to provide flexibility for growers with wet areas on their farms. Concepts such as *minimal effects* and *mitigation banking* would have provided some flexibility for growers with specific areas of concern on their farm. NRCS has been unable to implement some of the flexibility due to the lack of cooperation of other Federal Agencies, however we would urge the Committee to see that flexibility is maintained and that growers are able to utilize these provisions. Also the implementation of wetland regulations has not been consistent across the country and we ask the Committee to encourage NRCS to implement wetland rules fairly and consistently.

The recent Supreme Court ruling has intensified the inequity of wetland regulations. Since the 1985 farm bill, farmers participating in the farm program

have been held to the highest standard of wetland protection in the land. This inequity was supposed to be addressed in the 1996 farm bill with some of the regulatory relief measures that were included in the bill. Recently, significant wetlands regulatory relief was granted by the courts due to the Supreme Court ruling on Solid Waste Agency of Northern Cook County vs. U.S. Army Corps of Engineers regarding isolated wetlands. While this is welcome relief to developers and our state and county highway departments it is of little help to most farmers since swampbuster is still the highest, regulatory hurdle. In fact, we will now face the irony of court ordered regulatory relief for all except the American farmer.

The Wildlife Habitat Incentives Program offers farmers a unique opportunity to receive NRCS technical assistance and cost share monies to install conservation practices improving wildlife habitat on private lands. We support the program's state and locally-driven habitat priority setting process, and also NRCS's coordination role with private partners like Ducks Unlimited and the National Association of Conservation Districts in implementing the program at the ground level. The commodity organizations support the continuation of this voluntary program. Further, since this program's objectives are to enhance wildlife, we would encourage a balanced approach to the addition of overly costly wildlife objectives to other program rules and regulations.

The Environmental Quality Incentives Program, while designed to better target scarce financial resources, has become a very complicated program for commodity producers to utilize. Many were understanding of the desire to consolidate programs and prioritize project areas, but the ensuing challenge and dissatisfaction centers around who gets access to limited fund. Improvements should be made to the program to expand the flexibility and allow more producers to participate and increase the total funds available.

While each area of agriculture is facing commodity specific production concerns, many of us also watch with keen interest the status of the U.S. Livestock industry. The interdependence of commodity and livestock production is very evident in U.S. agriculture and we strive to maintain the productivity and profitability of each. Increasing regulations, federal, state and local are placing a heavy burden upon agriculture and we must be given the tools and resources to comply with new regulations if we are to remain competitive in a global market place.

Each of these programs mentioned provide an integral part of the overall conservation and environmental/water quality objectives. Federal programs provide financial resources and technical assistance to facilitate the adoption and management of conservation practices. Federal, state and local cost-share programs are essential for the greater benefit provided by these practices. Our members are engaged in farming as a livelihood and must maintain the ability to raise productive crops on their land and market their crops to maximize profitability.

We support locally led, voluntary, incentive-based programs, specifically those that work on a watershed basis. In order for these programs to work, there must be local people to work with our farmers and others in agriculture in improving conservation practices. USDA's Natural Resources Conservation Service (NRCS) has a good track record on voluntary incentive-based programs, as well as an extensive field staff network. Therefore, we in agriculture will be looking to NRCS as an important delivery mechanism of technical assistance to landowners. We support federal funding for NRCS conservation operations; to maintain and expand that structure as needed to help protect our natural resource needs.

Recognizing that there are still gains to be made in water quality, we believe that our goals of clean water, productive land and a viable domestic market are attainable. We believe that USDA is the primary federal government resource to assist growers across the country in attaining these goals. Whether it is through the technical assistance provided to growers for compliance with a myriad of government programs or for voluntarily adopting a conservation practice, USDA has the structure with local delivery units, to provide the support necessary for growers to continue their commitment to the land.

Each of our organizations are facing their own production and marketing challenges. Low commodity prices, coupled with increasing input costs, new regulatory burdens and the need to continually increase productivity have resulted in a serious cost/price squeeze and low farm income. We appreciate the opportunity the Committee provided for each of our organizations to present specific commodity program proposals. We also appreciate the efforts of the committee to secure additional funding for agriculture in the new budget resolution. As we have each presented the committee with commodity specific proposals, we share the conservation goals outlined in this statement and the belief that the conservation title should work in conjunction with a fully funded commodity title. It is essential to us that the provisions of the conservation title provide voluntary, incentive-based options for producers, but not replace or serve as a substitute for the commodity programs proposed by our organizations in earlier hearings. Producers need to be given flexibility in meeting increasing regulatory challenges whether they are local, state or federal requirements placed on their operations or the management of their land. USDA technical assistance, local watershed activities and cost-share programs are a proven approach to addressing environmental challenges. We support continuing this conservation commitment to help undertake conservation practices on productive farmland through the reauthorization of the conservation title of the next Farm Bill.